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ABSTRACT

This self-instructional module on developing your sales promotion plan is the fifth in a set of twelve modules designed for small business owner-managers. Competencies for this module are (1) describe the role of advertising, display, and personal selling in a sales promotion plan and (2) develop an effective sales promotion plan which incorporates advertising, display, and personal selling. Provided are information sections including a four-step advertising plan, functional purposes of displays, four steps in personal selling, one learning activity which is designed to develop a comprehensive sales promotion plan; two pamphlets from the Small Business Administration ("Checklist for Successful Retail Advertising" and "Interior Display: A Way to Increase Sales"), and a script from a cassette tape designed for use with this module. (The final report of this project is available as CE 017 858.) (JH)

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PURPOSE

A major cause of business failure among new retail, wholesale, and service type businesses is low sales volume. Many business firms simply do not attract the number of customers needed to stay in business. In today's competitive marketplace, drawing more customers to your business is essential to maintain or increase profit. One way to increase customer traffic is to develop an effective sales promotion plan. A well coordinated plan must give attention to advertising, display, and personal selling.

COMPETENCIES

Upon completion of this module you will be able to:

1. Describe the role of advertising, display, and personal selling in a sales promotion plan.

2. Develop an effective sales promotion plan which incorporates advertising, display, and personal selling.

INSTRUCTIONS

Before reading the material which begins on page 2, listen to the cassette entitled "Developing Your Sales Promotion Plan."

SALES PROMOTION

Sales promotion is an "umbrella" term which covers a variety of activities designed to increase sales and build customer goodwill. Advertising, display, and personal selling represent the basic elements of a sales promotion plan. Your plan will have the greatest impact when all three of these elements are well coordinated.

I. ADVERTISING

As a business person you cannot assume that everybody knows who you are, where you're located, and what you sell. Advertising is one way for you to attract people to your business.

WELL-PLANNED ADVERTISING IS AN INVESTMENT

Treated as an investment, advertising can be an effective tool in generating sales. However, effective advertising doesn't just happen. It begins with careful planning.

Planning is especially critical in small business firms because they have limited funds to work with. As an owner-manager, you should strive to get the most for each advertising dollar spent. Let's consider an actual illustration.

Mary Wilson decided to open a music studio. After renting a small vacant house, remodeling the interior, and purchasing the necessary equipment, she didn't have very much money left for advertising. Realizing that very few people in the community knew of her studio, she decided to initiate a modest campaign. She followed a simple four-step plan.

STEP 1. Determine who you wish to reach with your advertising message.

Mary Wilson decided that most of her students would be young people in the 6 to 14 age bracket. However, the music lessons would probably be paid for by parents in most cases. She decided that mothers would be most likely to make the final decision regarding the purchase of lessons.

STEP 2: Determine what you want your advertising to accomplish.

A well planned advertising campaign can accomplish many things. However, it is usually best to establish limited objectives for each ad or series of ads. Mary Wilson decided that her first advertising campaign should focus on three objectives.

a. Let people in the community know that the studio is open for business.
b. Provide potential customers with information regarding the kinds of lessons to be offered.
c. Develop the impression that the studio is staffed with capable music teachers.

STEP 3: Determine how to reach your customers.

Potential customers can be reached in many ways--radio, newspaper, television, and direct mail. Word-of-mouth advertising is one of the best ways to attract customers, but a new business generally cannot rely solely on this approach. Mary Wilson decided to utilize newspaper advertising for three reasons.

a. The local newspaper reaches a large percentage of the potential customers in the community.
b. The advertising rate for newspaper space was not expensive.
c. The newspaper offered assistance in developing the ads.

With advice from the local newspaper sales representative she decided to place two advertisements in the paper. The following ad was placed on the Women's page and appeared twice weekly.

M. Wilson Music Studio

PRIVATE LESSONS IN PIANO, ORGAN, AND ALL MUSICAL INSTRUMENTS. A HIGHLY QUALIFIED STAFF IS AVAILABLE TO SERVE YOU. CALL TODAY FOR MORE INFORMATION.

420 WILLOW LANE 951-1270
AVON, VIRGINIA

SCRIPT

DEVELOPING A SALES PROMOTION PLAN

INTRODUCTION:

Sales promotion is a term which describes a variety of activities designed to increase sales and build customer goodwill. The various facets of a sales promotion plan include advertising, display, and personal selling. Whenever possible, a well designed plan should provide for coordination of these activities. Now let's join Don Jennings, bank loan officer, and Ted Davis media representative for a newspaper, as they discuss sales promotion.

SETTING: COFFEE SHOP

Don: Hi Ted. It was nice of you to join me for coffee this morning. How are things in the newspaper business,

Ted: Fine. We are currently installing some new equipment in the press room which will give you an even better newspaper. It's important to keep up to date.

Don: Yes, I agree. I want to try something new at the bank and I need your advice.

Ted: What are you planning?

Don: Are you familiar with the Dunn and Bradstreet reports which describe the reasons for business failure?

Ted: Yes, I've seen a few of these reports.

Don: They report that many retail, wholesale, and service firms fail because they are unable to attract enough customers. This is a major cause of small business failure. I feel that many firms that I deal with simply do not have a well developed sales promotion plan. I thought maybe you would be willing to give me some information that I could pass along to my customers.

Ted: Sure, I will be glad to share with you some of my ideas. I do agree with the Dun and Bradstreet reports. A well developed sales promotion plan is one important key to business success.

Don: How does one begin developing a plan?

Ted: First, let me point out that sales promotion covers a variety of activities designed to increase sales and build customer goodwill. Small retail, wholesale, and service firms should give primary attention to three basic elements: (1) advertising; (2) display, and (3) personal selling.

Don: I get the feeling many of our customers don't spend their advertising dollars wisely. Is this an accurate observation?

Ted: Yes, you are correct. In many cases, the money is wasted because too little thought is given to the purpose of the advertising. Every business owner-manager should try to answer one basic question before spending even a dime on advertising. The question is: "What do I want to accomplish with my advertising?"

Don: That is a good suggestion. Answering that question will help the business person decide what type of customer they wish to serve.

Ted: Right. We can't be all things to all people. We must direct our sales promotion activities toward those persons who are most likely to purchase our products and services.

Don: How often should a business firm advertise?

Ted: The answer to that question will vary from one type of business to another. A hardware store will no doubt utilize a schedule that is different than a beauty salon. There is one rule of thumb which should apply to every business firm, however. Money invested in advertising should parallel expected sales volume. A store featuring school supplies, for example, should definitely advertise during the back-to-school period. It's always a good idea to go duck hunting when the ducks are flying. (BOTH LAUGH)

Don: Should a business firm utilize more than one type of media?

Ted: In many cases I recommend a mix of two media. Many small business firms use both radio and newspaper advertising. Direct mail advertising is also very effective for certain types of business firms.

Don: How important is display?

Ted: Display helps improve the impact of advertising. Also, well designed displays increase impulse buying. Did you know that impulse buying accounts for 30 to 40% of the sales volume for certain items?

Don: That is a very interesting point. It sounds like some business firms should definitely give more attention to display.

Ted: The impact of both advertising and display can be increased with effective personal selling. One way to gain an advantage over your competition is to be certain that everyone practices good salesmanship at all times. Personal selling can make a real difference.

Don: Sales promotion is beginning to take on a different meaning for me.

Ted: One more point, and then I must get back to the office. The owner of a small business should attempt to coordinate advertising, display, and personal selling. For example, let's assume that a record shop advertises a special LP record. The owner should follow up with a display of this merchandise. In addition, the employees should be aware of the sale and be prepared to help customers who visit the store.

Don: I want to thank you for the tips on how to improve sales promotion I will certainly share this information with our customers.

Ted: You are welcome Don. It's been my pleasure.

CONCLUSION:

Many firms do not attract a sufficient number of customers to maintain a profitable operation. A carefully prepared sales promotion program can be a solution to this problem. To learn more about how to develop an effective sales promotion plan, please turn to page 2.

The following ad appeared in the classified ad section every Sunday for a five-week period.

MUSIC LESSONS

PRIVATE LESSONS IN PIANO, ORGAN, AND ALL ORCHESTRA INSTRUMENTS.

WILSON MUSIC STUDIO 420 WILLOW LANE 861-1270

STEP 4: Determine how much money you can afford to spend on advertising.

There is always a limit to how much you can invest in advertising. This maximum is often determined by estimating what percentage of net sales can be spent on advertising. For example, a jewelry store owner may determine that 3% of net sales is appropriate. The owner of a sporting goods store may determine that 2% of net sales is most suitable. It is a good idea to check the industry average for your type of business.

The amount you spend on advertising will vary, depending on the duration of your advertising program, type of ad or commercial, and media you plan to use. However, try to be somewhat consistent with the average for your type of business. Keep in mind that it is possible to spend too much or too little on advertising.

A new business may need to spend a larger amount during the first few weeks that the firm is open or when the firm sponsors a special sale. Mary Wilson developed the following budget for a six week period.

Ad placed on Women's page ($8.50 per ad).....	$102.00
Classified ad ($1.95 per ad).....	11.70
Sign to be placed near home.....	55.00
TOTAL	$168.70

Employees should be briefed in advance on the exact nature of your promotional plans. They must know what is going to be advertised and what the prices will be.

II. DISPLAY

Display is another important element of your sales promotion plan. The major purpose of display is to sell merchandise and services. For this reason, it is sometimes referred to as a "silent salesperson." Displays should be compatible with the image you want your business to project to the public. If you utilize signs, be certain they are neat and clean in appearance.

A well prepared display can accomplish at least three things. It can:

1. Promote the sale of merchandise featured in advertisements. In many cases, displays will increase the impact of advertising. Always display advertised merchandise in a prominent location.

2. Promote impulse buying. Many shoppers buy merchandise on "impulse." They see an item attractively displayed and make a decision to buy it.

3. Promote new or seasonal merchandise. Customers enjoy visiting business firms which offer something new and different from time to time.

III. PERSONAL SELLING

Several firms in the community may offer identical merchandise and services at comparable prices. The degree of success one business firm gains over another is based in large part on friendly service and the personal selling efforts of employees.

Personal selling in a retail, wholesale, or service firm usually involves four basic steps.

1. Greeting the customer. In most cases customers should be greeted as soon as they enter the business. A friendly hello will make the person feel welcome. If you are busy with another customer, at least acknowledge the presence of the new customer. Always greet customers by name if possible.

2. Determine the customer wants. Try to find out the customer's wants as soon as possible. In most cases a few carefully worded questions will clarify what the customer wishes to buy. Questions give the customer the feeling that you really care. Be a good listener. Good listening is probably the most neglected aspect of personal selling.

3. Present merchandise or service. An effective presentation and demonstration of your product or service makes any sales talk more convincing. The presentation should be made with enthusiasm. Provide the customer with ample product information and be able to answer questions.

4. Close the sale. If you are sure the customer will benefit from your product or service, it is entirely proper to ask for a buying decision. A direct question might be: "Shall I wrap this shirt for you?"

   After closing the sale, thank the customer sincerely. The customer should always feel his/her business is appreciated.

SUMMARY

Every business is unique and therefore the sales promotion plan will vary to some degree from one business to another. However, most business firms should utilize a combination of advertising, display, and personal selling to increase sales and build customer goodwill.

NOTE: Please turn to page 7 and complete learning activity number one.

LEARNING ACTIVITY NUMBER ONE

To develop an effective sales promotion plan, you need to first collect certain information and then make appropriate decisions. The purpose of this learning activity is to provide you with experience in developing a comprehensive sales promotion plan for a product, a product line, or service which you would like to promote. Once you have made a decision regarding which item(s) to promote, provide the information requested below:

1. Describe who you would most like to reach with your advertising message. Be as specific as possible._____

2. What do you want your advertising to accomplish? Don't try to accomplish too much -- limit your objectives._____

3. What media seems to be most appropriate? Radio? Direct mail? Newspaper? Consider the advantages and disadvantages of each option before answering this question._____

4. Determine how much money you can afford to spend on this sales promotion campaign. To fully answer this question, it will be necessary to check media rates in your community and determine how much you can budget for this campaign._____

5. What type of display will increase the impact of your advertising message? Where will the display be located?_____

6. What information will you provide employees regarding your sales promotion campaign? Will any special sales training be necessary?

NOTE: Please turn to page 8 and review the preferred reading list.

PREFERRED READING LIST

This instructional module is designed to introduce key concepts regarding ways to develop a sales promotion plan. For a more in-depth examination of this topic area, study the following preferred readings.

SMALL BUSINESS ADMINISTRATION SMALL MARKETERS AIDS

#96 "Checklist for Successful Retail Advertising"

#111 "Interior Display: A Way to Increase Sales"

NOTE: You have now completed the module requirements. You may wish to review this module or advance to another module.

SMALL BUSINESS ADMINISTRATION
U. S. Government Agency

SMALL MARKETERS AIDS No. 96

Washington, D.C.

CHECKLIST FOR SUCCESSFUL RETAIL ADVERTISING

By Charles T. Lipscomb, Jr.
President, Bureau of Advertising, American Newspaper Publishers Association, Inc., New York, New York

SUMMARY

Some people consider retail advertising an "expense." The successful retailer, however, thinks of it as a profitable and vital investment. What makes these divergent points of view--and of profit?

The difference lies in the successful advertiser's knowing where he's going--and in knowing how to get there. How did he learn that in the first place? How can any retailer master the techniques?

The answers to both questions are the same: (1) by taking an honest look at your attitude about advertising: (2) by studying your store, your market, and your customer; (3) by deciding how best to reach him; (4) by setting a sales goal; (5) by deciding how much advertising is needed to achieve that goal; (6) by analyzing exactly what to promote; (7) by scheduling ahead on a daily basis; and (8) by sticking everlastingly at it.

How do you feel about advertising? Is it an investment or an expense? Do you use it to build your store? Or is it a pain in the neck? Your answers to the following 10 questions should help you examine (1) your attitude toward advertising and (2) its contribution toward your sales and profits.

	Yes	No
1. Has your business been growing each year?	—	—
2. Can you predict, with reasonable accuracy, what next year's sales will be?	—	—
3. Are you aware that advertising includes the coordination of all promotional and selling functions (such as window and in-store display)?	—	—
4. Do you set aside time each month to make promotional plans?	—	—
5. Do you have figures at your fingertips on how much you invested in advertising each month of last year?	—	—
6. If you answered No. 5 with "Yes," did each month's percent of the total year's advertising closely match each month's percent of your total year's sales?	—	—
7. Do you have figures at your fingertips to show what percent of each month's sales were in each department of your store?	—	—
8. Did your advertising last month promote each department in relation to its contribution to your total sales?	—	—
9. Do you know what percent of sales is invested in advertising by businesses similar to yours?	—	—
10. Do you know how to prepare a strong ad and to check on the results it brings?	—	—

• How Many "Yeses"?

Only three YES answers or less means that the small marketer is not aware of the fact that a planned advertising program can help to increase profits.

If you checked between four and eight YES answers, you probably have good promotional possibilities. You already have a good understanding of what advertising can do for you. But even so, you may want to check your advertising against the steps in a planned advertising program.

STEP 1--PROFILE YOURSELF AND YOUR CUSTOMER

The first step in evaluating the various ways of telling your story to your public is

that of deciding who you are and who your public is. This "profile" checklist may be helpful:

(1) What Quality of Merchandise Do I Sell? Are my price lines high? In the middle? Too low? Are my customers' incomes increasing rapidly so that they are prospects for higher price lines?

(2) How Do I Compare With Competition? Am I priced competitively? Or do I stress quality and service? Are my merchandise lines as broad and varied as my competitors'?

(3) What Selling Techniques Do I Use? Are my employees trained to sell related items? To sell higher-profit lines? Or are they just friendly clerks?

(4) What Customer Services Do I Feature? Do I extend credit? Do I deliver? Do I offer a money-back guarantee, or item substitution? Do I repair merchandise? Do I stay open nights? Do I offer adequate parking space?

(5) Am I Accessible To The Public? Am I located on a busy street with lots of foot traffic? Or do I have to promote harder so as to pull people to an out-of-the-way location? Am I long-in-business and well-known? Are there many people who still don't know me?

(6) Who Makes Up My Market? Do I sell to men? Women? Teenagers? Tots? Do they have pronounced tastes? Are my customers' incomes high, low, or average? Are more young families with more children moving into my neighborhood? Do they all live near the store? Within a one-mile radius? Do they come from all over the city?

(7) Why Do People Buy From Me? Do I know why my best customers continue to buy from me? Have I asked them why? Do they like me for reasons that could be featured in my advertising?

(8) Why Don't People Buy From Me? Have I ever asked a customer who stopped shopping why he quit my store? Do I take an objective look at my windows, my displays, counters, lighting? Is the store clean? Are the employees courteous and well-informed?

After you've studied these questions, fix the things you don't like about your store. Capitalize on what you do like. Decide who your customers should be. Then decide what kind of "face" you're going to present to them in your advertising.

STEP 2--BEGIN BY SETTING A SALES GOAL

Before you start to work out your advertising, take time to sketch out a plan for advertising. Try to design it so that you can do the following:

(1) Time every ad to tempt the most prospects at full markup.

(2) Eliminate the waste of advertising that's too early or too late.

(3) look for each selling opportunity and back each one with just the right amount of advertising.

Only by advance planning can you take full advantage of every selling opportunity, keep track of where you're going and coordinate all the promotional tools such as advertising, window and in-store display.

Start your planning by looking at last year's sales with the aim of setting sales goals for this year, month by month. Use the chart on page 3 of this *Aid* as a tool. Jot in your sales figures for last year by months.

Then figure the percentage for each month and jot it in. For instance, find January's percentage by dividing the year's sales into January's sales.

Now, decide what your sales goals for this year should be. You may want to use the following yardsticks to make them challenging as well as realistic:

(1) increased populations, income, and employment; (2) new or expanded departments in your store; (3) tie-ins with merchandising events; (4) changes in prices; (5) stock on hand; (7) what competitors are doing; and (8) increased selling and advertising efforts.

After you have set your sales goals for this year, month by month, put them aside for step 6.

STEP 3--DECIDE HOW MUCH ADVERTISING

Your next step is to decide how much you need to invest in advertising. Your goal is to match advertising with sales opportunities. You will want to schedule your advertising to follow the public's demand--month by month.

Start by looking at last year's advertising with the help of the chart of page 3 of this *Aid*. Jot down on it the dollar amount of your monthly advertising for last year.

Now, jot in the percentage figure for each month's advertising. You can do this by dividing your total advertising for the year into each month's figure.

- Compare Sales and Advertising

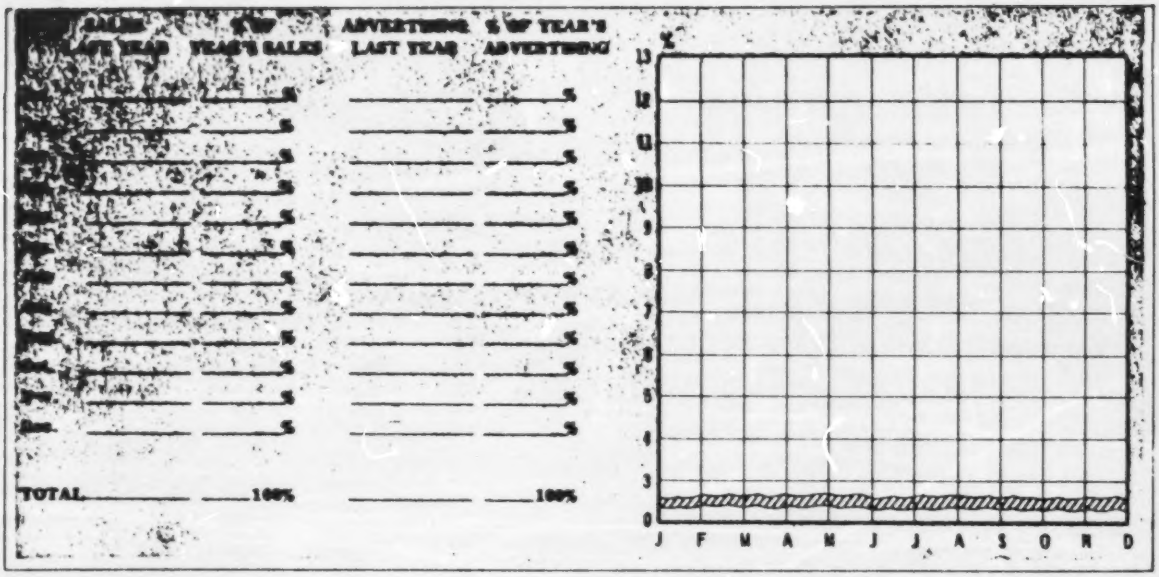
Now you are ready to find out how well your last year's advertising matched sales opportunities. You can do it by making a simple graph on the chart on page 3 of this *Aid*. Plot in each month's percentages for sales with a dot. Then connect the dots with a black line.

Do the same with your advertising percentages. Connect your advertising dots with a red pencil to make your comparison stand out.

If your sales and advertising lines don't run fairly close together, you may be missing selling-opportunities. Your advertising may be appearing too early or too late to do the best selling job.

- The Right Advertising Percent-To-Sales

Now, you'll need to pick the right ratio of advertising expenditure to sales and stick with it. For some average percentages of sales invested in advertising by different



kinds of stores, see *How To Budget Advertising for Bigger Volume, More Profits* (listed in "For Further Information" on page 4 of this *Aid*)

Only you can decide what percent is right for your firm. If your advertising percent looks low, you may want to go up in gradual steps. Perhaps, you might increase it a half percent at a time until you reach the budget that brings your store the maximum sales-per-dollar ad investment.

You can use the following profit pointers to check your thinking on the advertising budget you need: (1) stores in less favorable locations use more advertising; (2) so do those that are new and expanding; (3) strong competition raises the size of the budget needed; (4) stores stressing price usually promote more heavily; (5) special dates and events offer additional sale opportunities, and (6) added sales produced by increased expenditure are more profitable--more money can be spent to get them.

STEP 4--SET ASIDE A SMALL RESERVE

Many stores set aside a small reserve--5 percent or so--from their advertising budget. They use this reserve for meeting competitive emergencies and for taking advantage of unexpected promotional opportunities, such as special purchases.

Chances are that you will want to do likewise. If so, you then plan your day-to-day advertising with 95 percent or so of your advertising money.

STEP 5--DECIDE WHAT TO PROMOTE

In planning your advertising for each month, it is important to devote to each kind of significant merchandise, or to each department, proportionately about as much advertising as that department contributes to your sales. For instance, if the sales goal of Department A is 9 percent of your total sales objective next month, then earmark it for something like 9 percent of the month's total advertising expenditure.

Use such a departmental budget as a guide. But vary it according to your concern with things such as: (1) checking the month's heavy traffic pullers; (2) looking for departments, or merchandise, where clearance is needed because their seasonal curve will drop next month; (3) digging for "sleepers," currently hot, but which don't show up in last year's figures, and (4) promoting newly expanded departments harder.

STEP 6--SCHEDULE NEXT MONTH'S PROGRAM

In step 2, you set your monthly sales goal. Now, your next step is to lay out next month's advertising on a day-by-day basis in order to achieve that goal. You can do it by using a box calendar for the month. Jot down, in each day's box, the kind of promotion you have in mind.

Some retailers use it also as a record for future reference. They jot down facts, such as: last year's sales, this year's sales, and weather conditions which affected the day's income.

As you jot down your complete month's plan, be sure to schedule your promotions so as to take full advantage of: (1) payroll days of important firms, (2) days of the week in which traffic is heaviest, (3) night openings, (4) national and local events offering tie-in possibilities, (5) new merchandise or expanded departments, and (6) current prices and, (7) your stock on hand.

STEP 7--MAKE YOUR ADS PACK SELLING PUNCH

When you begin to work up your individual advertisements and commercials, the following points on copy and layout can help you produce advertising with a selling punch.

(1) Make your ads easily recognizable. Try to give your own copy a consistent personality and style.

(2) Use a simple layout. In printed media, your layout should carry the eye through the message easily and in proper sequence, from art and headline to copy and price and to signature.

(3) Use dominant illustrations. Featured merchandise should be shown in the dominant illustrations. Pictures emphasizing the product in use are good.

(4) Get the main benefit to the reader or viewer. Prospective customers want to know "What's in it for me?" Emphasize the main reason why readers or listeners should buy the advertised item.

(5) Give complete information. Give all essential information about the item such as: the manufacturer, model, various sizes, and colors. Your description should have a warm, sincere, and enthusiastic tone.

(6) State price or range of prices. Don't be afraid to quote a high price. If the price is low, support it with statements which create belief, such as clearances or special purchases.

(7) Specify branded merchandise. If the advertised merchandise is a known brand, say so. Take advantage of advertising allowances and the pre-selling which the manufacturer has done. As one small marketer says, "Cooperative advertising is one of the most valuable types of programs available to me from my suppliers."

(8) Be sure to include store name and address. Check every ad or commercial to be certain you have included store name, address, telephone number, and store hours.

STICK EVERLASTINGLY AT IT

Some marketers let up after they have developed an advertising program for "next month: They feel that the plan will take care of itself.

But it won't. Keep in mind that the key to growth is to continue your plan month after month, year after year. Keep checking it out. Don't be afraid to change it to meet the changing needs of your business.

Keep in mind that advertising that is well planned and carried out can be your most powerful "salesman." It can also be a potent growth factor.

FOR FURTHER INFORMATION

Businessmen interested in exploring further the subject of retail advertising may be interested in the following references. This list is brief and selective. However, no slight is intended toward authors whose works are not mentioned.

Retail Advertising and Sales Promotion by Charles Edwards and Russell Brown. Prentice-Hall, Inc., Englewood Cliffs, N. J. $6.95.

How To Write Better Retail Advertising Copy. Sales Promotion Division, National Retail Merchants Association, 100 W. 31st St., New York, N.Y. $4.25 to NRMA members; $6.00 to nonmembers.

Newspaper Advertising For The Small Retailer by Isabelle M. Zimmerly. University of Illinois, College of Commerce and Business Administration, Urbana, Ill. Business Management Service Bulletin No. 851, 1954. 85 cents.

How To Design Effective Store Advertising by M.L. Rosenblum. Sales Promotion Division, National Retail Merchants Association, 100 W. 31st St., New York, N.Y. $13.50 to NRMA members; $18.00 to nonmembers.

How To Budget Advertising for Bigger Volume, More Profits by Budd Gore. Published by Retail Department, Bureau of Advertising, American Newspaper Publishers Assn., 485 Lexington Ave., New York, N.Y. Available from daily newspapers which are members.

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Small Marketers Aids

No. 111

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INTERIOR DISPLAY: A WAY TO INCREASE SALES

By Gabriel M. Valenti
Managing Director, National Association of Display Industries, New York, New York

SUMMARY

Interior displays should be designed to sell merchandise. To be effective, they must attract the eye and turn store traffic into "stoppers"--individuals who stop and examine the goods.

This Aid discusses four ingredients which are necessary for building a display: fixtures, color, signs, and lights. It points out that the difference between a commonplace display and an outstanding one is often slight. Many times that difference consists of the right decorative touch--one which, like frosting on a cake, helps to tempt buying appetites.

Small retailers who fail to set up good interior displays are missing opportunities for increasing their sales. One chain of department stores, for example, gets 50 percent of its sales volume from special displays. In a group of assorted independent stores, 1 out of 4 sales are made because of the way merchandise is presented in displays, according to a survey which the National Retail Merchants Association sponsored.

The kinds of displays you use in your store depend, of course, on the types of goods you handle and on the amount of available space, and other considerations, such as budget and personnel to do the job. This Aid discusses several aspects of interior display which might be helpful as you think about making your merchandise presentation as effective as possible.

TURNING SHOPPERS INTO BUYERS

When you present your merchandise by putting it out where people can see it, your goal is to turn store traffic into shoppers and shoppers into buyers. Whether you do it depends on the kind of display you use.

Sometimes a shopper merely looks at a display in passing. It attracts her eye but does not make a strong impression.

However, a good display will turn many of these lookers into "stoppers"--people who pause and study the displayed merchandise. And some of the traffic that uses the store as a short cut may stop to look at an outstanding display.

- Background Increases Pulling Power

Often the difference between a passable display and one that makes a big impression on customers is slight. Students at New York University's Institute of Retail Management saw this fact in action when they ran a test in a suburban store.

They set up an ordinary display of three mannequins with no decorative background. The figures wore medium priced dresses and stood on platforms in a prominent location on the selling floor. Many women passed the display without noticing it.

Then the students dressed up the display. They draped green fabric behind the mannequins and set a floral arrangement in the center of this new background. They used no special lighting. These materials cost $30.

What happened when they added this small, and relatively inexpensive imaginative touch? It was like adding frosting to a well-baked layer cake. An ordinary-looking display was turned into an outstanding one which shoppers began to notice. And many of them stopped to study the dresses.

In fact, "lookers"--shoppers who turned to look as they passed--increased by more than 60 percent when the display was dressed up with the decorative background. And "stoppers"--individuals who stopped and examined the dresses--increased by almost 80 percent.

Interviews with customers revealed that more than 75 percent of them did not have the dress department in mind when they entered the store. They were shopping for other items or were looking around.

- What Good Display Does

The display you've just read about did several things for the store. First, it showed the

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merchandise--dresses--to shoppers at the place where it counted--on the selling floor.

It told shoppers precisely what the store was featuring--and in what styles, sizes, materials, colors and prices. (The sign helped to convey this information.)

The display gave drama, excitement, and sales appeal to the medium-priced dresses. As part of a long-range program, such outstanding displays can also build a steadily growing impression on customers and prospects--impressions of quality, style, leadership, or price, for example.

Good presentation of merchandise can make shopping easier. A case in point is the chain of department stores which was mentioned at the beginning of this Aid.

That organization's stores do more than 45 percent of their week's volume in less than 12 hours. During that time, proper merchandise display does a major portion of the selling job because salespeople are swamped with customers and cannot sell each one. In this case, displays cut selling time of salespeople whom customers usually outnumber by 10 to 1.

BLENDING THE INGREDIENTS

Good interior display involves the proper blend of several basic ingredients. The ingredients you use to make a display which will present your merchandise attractively are: (1) fixtures, (2) color, (3) signs, and (4) lights.

• Fixtures That Display

Fixtures should show your merchandise in the most advantageous manner. Although the type of fixtures you use depends on the kinds of goods you sell, you may find this rule of thumb helpful: The most practical and economical fixture is one that permits you to display goods in the proper arrangement for each category or line with the least distracting elements and at the maximum exposure.

For example, cellophane bags of apples can be arranged properly in stacks on a float or table. Nothing else is needed other than a price sign. On the other hand, a proper arrangement of shirts has to be one which considers sizes. If you sell twice as many size 16 as 14, for example, your fixture should take that fact into account.

An example of a distracting element might be a moving display near a book counter. The motion keeps pulling the customer's eye away from the books he's trying to examine.

The following questions may be helpful in selecting and using fixtures to achieve an effective presentation of merchandise:

What sort of merchandise do you plan to display on the fixture?

How much area will you allot on each fixture level--deck, counter top, shelf or rack--for each category of merchandise to be displayed?

In order to stimulate buyer attention and at the same time make selling easy, what is the best kind of fixture? For example: Do you need bargain tables, platforms, counters, cardholders, displayers, forms, or mannequins? Or do you need fixtures which will allow for each restocking of sizes--fixtures, such as showcases, gondolas, racks, wall cases, or island cases?

If you use shelves for display purposes, what size do you need to hold the merchandise, its assortment, package or container?

What changes might occur because of seasonal or promotional shifts? Can you rearrange the unit or section of the fixture to meet such changes?

How can you get the best possible sales volume per square foot of display space? How much merchandise exposure can the fixture give per dollar fixture expenditure? Bear in mind that a well-designed, efficient fixture, which gives maximum exposure of goods is cheaper in the long run than a lower-priced fixture which does not allow for effective display. The efficient fixture helps to bring the biggest sales turnover.

Closely tied in with the proper fixtures is the matter of floor selling space. Good displays on proper fixtures lose their eye-catching appeal if they are crowded together. The following questions should be helpful in checking your floor space and arrangement of fixtures:

Are aisles small and crowded so that shoppers cannot see the goods?

What should your traffic flow pattern be?

What are best locations for departments--if you handle several kinds of goods?

What is the best location for a category of goods within the department?

Are related merchandise items adjacent?

• Color Helps To Set Buying Mood

In the most effective interior display, color--and the atmosphere which it can help set--must be considered from the start. The colors of walls, overhead, and floors and fixtures must blend into the display--or, if done effectively, contrast with it.

You may want to repaint certain areas in your store in order to tie them in more effectively with the goods you display there. Or a different color or decorative backgrounds might be needed on some of your present display fixtures.

The following facts should be helpful when you think about color in connection with fixtures and selling space:

Usually strong contrasts and loud colors should be avoided. Bright shades get attention but they also can overpower the merchandise.

Background colors should suit and blend with the merchandise displayed. Try to use families of colors which will be tone in tone with the merchandise. For example, use beige, cream, and ivory with brown.

If you sell ready-to-wear, fashion accessories, or home furnishings, you have a special need for careful color planning. Color enhances high fashion and high-quality merchandise and is vital in motivating the shopper to buy. You may want to feature one color which has been dictated by the current fashion trend. Sometimes you may want to highlight a family of colors.

Color can give the illusion of greater size and can offset objectionable physical factors. For example, light shades add depth to a small space. Dark shadows help to make a large space look smaller.

Soft pastel shades are always popular for overall store decor, with darker colors favored for accents.

Color also helps to add an imaginative touch to a display. One way, for example, to create the impression of fun at the beach is by using light, gay colors in a display of bathing suits.

In experimenting with color, you'll want to keep in mind that higher priced merchandise is best displayed in more refined color arrangements, such as blues, greens, grays, and blacks. And if you are handling low-priced bargain items, the vivid shades of yellow, orange and red combined with whites are best for achieving the right decorative touch.

• Signs Tell The Story

Signs do the talking for a display. They give significant details about the article, such as size, styles, colors. Thus, as silent salesman, signs answer customers' questions about price, features, and tell where the goods are located in the store.

The following suggestions may be helpful in thinking about the signs you use on your interior displays.

(1) Make your signs informative. The wording should be compact and, when possible, sparkling.

(2) They should look professional. Compact printing machines are available if you prefer to do your own signs.

(3) See that they are not soiled or marred. Nothing spoils merchandise quicker in the customer's eyes than a soiled sign.

(4) Keep signs timely by changing them often.

(5) Try to make your signs sell customer benefits rather than things. Signs, for clothes, for example, should sell neat appearance, style, and attractiveness rather than utility. For furniture, they should sell home life and happiness rather than just lamps and tables.

• Lights Emphasize Merchandise

Lights are the fourth ingredient in an effective display because, among other things, lighting makes it possible for customers to see the merchandise. It should make goods so visible that the shopper can see what she needs to see clearly and quickly. Display lighting should also be dramatic. Stores that rate highest use theatrical type lighting, with spots and color filters, to set mood and atmosphere for the shopper.

Lighting should not call attention to itself. Rather it should minimize distractions from the displayed merchandise. Glaring lights not only take the shopper's attention away from the goods but can also cause her discomfort. When she adapts her eyes to overly bright lights, the shopper partly blinds herself to the merchandise.

In many cases, the store's general lighting should be non-uniform to accent selling space. Display lighting in the selling areas should make the merchandise stand out. Such lights can vary according to the types of goods on display.

For example, a concentration of light from incandescent bulbs tends to reveal the form, texture and polish of surfaces more effectively than diffused lighting, such as that from fluorescent tubes. However, incandescent lighting tends to create harsh shadows and is high in heat content.

Display lighting should also show the merchandise in its true colors. A dark green item, for example, should not appear to be black under lights. Incandescent lamps are good for rendering colors favorably. You can also use two fluorescent lamp colors--deluxe cool white or deluxe warm white. In rendering colors favorably, cool white fluorescent gives a light that comes close to the color-rendering properties of natural daylight. Deluxe warm white is more like incandescent.

Incandescent and fluorescent lighting should meet most of your needs for lighting merchandise so that it can be viewed under true and realistic conditions. Cost is not the main consideration in lighting goods, but you may want to remember that fluorescent tubes give twice as much light as incandescent for half the cost in electricity.

USING PROFESSIONAL HELP

Building effective displays is a complicated affair, and most stores that can afford the cost use professional help. To keep interior displays lively and compelling, they hire display personnel on a full-time or part-time basis.

In some areas, you may be able to use a free-lance displayman who probably works for several merchants. You may be able to use a display employee from a friendly competitor. Another source of part-time help might be the commercial art or distributive education departments in local schools.

Suppliers of consumer goods generally offer display assistance, materials, props and fixtures. Take full advantage of these sales aids. Sometimes suppliers will even give advice on specific display needs and techniques, especially when doing special promotions or when installing displays in your store.

Keep in mind also, that manufacturer-supplied displays are the result of talented design and engineering. For example, color is expertly chosen to set off the merchandise. Such displays are available at limited or no cost to retailers.

Still another source for display assistance, is the local or nearby supplier of display materials and fixtures. He, or his representative, can often give you ideas and supply you with the latest materials--items ranging from inexpensive artificial flowers to especially built displays. In large cities, these companies often

maintain showrooms in which you can look for ideas and materials.

PUTTING ON THE FROSTING

Whether you do your own interior display work or get outside help, you should keep one thing in mind. An effective display is made up of two things: the functional and the decorative. The functional is like a well-baked cake, and the decorative is like the frosting.

The frosting attracts the eyes of store traffic and tempts buying appetites. It can be achieved, for example, by adding a backdrop to accent the merchandise. Or the added "touch" can be a storewide theme such as during Christmas.

So, look for ways to influence people to stop and examine your merchandise. One way is to study how other merchants in your area do it. Another way is to look for display tips in your trade magazine or from trade associations.

Often a functional element can also be used to add a decorative touch to a display. For example, you can use lighting to dramatize merchandise in addition to making it more appealing.

Variations in brightness patterns is the key. By varying your brightness patterns you can: (1) call attention to the merchandise, (2) add a dramatic touch to the display setting, and (3) cut down on monotonous patterns.

Sometimes you can add enough drama so that the shopper carries away a subconscious impression of the merchandise even though she does not buy. For instance, you display a rhinestone bracelet on a piece of black velvet under a spotlight which throws the stones into dazzling relief.

Whether your merchandise is bracelets, lawnmowers, or something else, the trick is showing it off at its best. Try to put yourself in the customer's place and answer the question: What little touch would catch my eye if I were walking through this store?

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